Colorado Division of Securities Department of Regulatory Agencies

Guidelines for completing the new ADV Part 2A-2B requirements to be completed and uploaded to the Investment Adviser Registration Depository (IARD) no later than June 30, 2011.

These guidelines and directions are provided by the Colorado Division of Securities to assist you in completing the mandated requirements. If you need clarification or further assistance with these guidelines you may contact the Division @ 303-894-2320 and ask for a field examiner and they will assist you. If you have technical questions regarding the filings you may contact the Gateway Center @ 240-386-4848.

1) Organize and Prepare:

- We recommend that you print out the "Form-ADV-Part-2-Instruction.pdf" document provided. Once printed, organize and staple the following six discrete sections:
 - o 2 pages of "General Instructions for Part 2 of Form ADV"
 - o 3 pages of "Instructions for Part 2A of Form ADV: Preparing Your Firm Brochure"
 - o 10 pages of "Part 2A of Form ADV: Firm *Brochure*"
 - - (Discard these 5 pages if you <u>don't</u> provide a Wrap Fee Program and most of you don't. If you are one of the very few that do, you <u>must</u> organize and complete this requirement also)
 - 2 pages of "Instructions for Part 2B of Form ADV: Preparing a Brochure Supplement"
 - o 4 pages of "Part 2B of Form ADV: Brochure Supplement"
- You now have a total of 7 pages of instructions comprised of the General Instructions for Part 2, the Instructions for Part 2A, and the Instructions for Part 2B.
 (Include: Appendix 1 Instructions <u>only</u> if you provide a Wrap Fee Program and most of you don't)
 - Read the instruction several times before you begin to create your new ADV Part
 2A 2B

2) Creating your ADV Part 2A – 2B documents:

• We recommend that you create these documents using Word format unless you have the full version of Adobe Acrobat (writable).

- Begin creating your ADV Part 2A by answering the 19 Items that are in the 10 pages entitled "Part 2A of form ADV: Firm Brochure"
 - o Helpful Hints:
 - ❖ Item 1 Cover Page of ADV Part 2A is to be your first page.
 - Item 2 Material Changes is to be your second page.
 - ❖ Item 3 Table of Contents is to be your third page.
 - ❖ Items 4 through 19 are to begin on page 4 and are to come after one another. They are *not* to have separate and distinct pages as do Items 1, 2, and 3.
 - All Items are to be answered, but not all subset questions within the Items are to be answered. If a subset questions within an Item does not pertain to you, don't answer it. You should answer the subset questions that apply within the context of the Item.
 - ❖ All conflicts of interest should be addressed in three parts:
 - <u>State the conflict;</u> (example: we buy and sell securities we also recommend to clients).
 - <u>State that it is a conflict;</u> not that it is a potential, possible, might be, or maybe (example: this represents a conflict of interest).
 - <u>Mitigate the conflict</u>; mitigate the conflict as best you can (with policies, procedures, or your fiduciary responsibilities, for example).
 - ❖ You may reference and point to other sections of the document within the document to avoid redundancies.
 - ❖ Tell about your business, your relationships, and your conflicts in your own words (plain English), written so that your clients will understand them.
- Begin creating your ADV Part 2B by answering the 7 Items that are in the 4 pages entitled "Part 2B of form ADV: *Brochure Supplement*"
 - o Helpful Hints:
 - ❖ The Owner(s) of the IA will have provided the majority of the information required in the ADV Part 2B in the ADV Part 2A. If that is you, you may wish to attach the ADV Part 2B(s) as a separate page following Item 19 of Part 2A creating one document (each Owner must have their own ADV Part 2B page). You may do so by referencing and pointing to the appropriate sections of ADV Part 2A to avoid redundancies under the following:
 - Item 1 of ADV Part 2B may be provided at the top of the page, rather than a full cover page, followed directly by Item 2 through 7 pointing to the ADV Part 2A reference that answers that Item.
 - When uploading this combined document you must <u>name the brochure</u> as ADV Part 2A-[firm name] and Part 2B-[individual(s)].
 - Owners not wishing to apply the "combined document" as described above, must complete a full ADV Part 2B (no "reference and point" to ADV Part 2A and *must* include a full cover page) for themselves and upload it separately

- from their ADV Part 2A and appropriately name the Brochure Supplement, ADV Part 2B- [individual name], when uploading.
- ❖ Each investment adviser representative of the firm must provide a full ADV Part 2B (no "reference and point" to ADV Part 2A and including a full cover page) and appropriately name the Brochure Supplement, ADV Part 2B-[individual name], when uploading.

3) Convert and Upload:

• Your newly created Form ADV Part 2A-2B must be uploaded to the IARD system in a "searchable" pdf format. If you have used Adobe Acrobat you may begin the upload. If you utilized Word format, the following link will take you to one of North American Securities Administrators Association's (NASAA) web pages that will provide you access to five providers of that will convert your word document to a "searchable" pdf document. There are free options in this list. Once you have converted to a searchable pdf, you may begin the upload.

http://www.nasaa.org/industry-resources/uniform-forms/form-adv/guide-for-electronic-filing-of-the-adv-part-2/

- We have also provided you the user upload instructions: ADV Part 2 Firm User.
 - o If you have previously uploaded your old ADV Part II and Schedule F onto the IARD system and you are filing a *combined* new ADV Part 2A-2B, please follow the instructions in page 6 "Amending a Brochure". Make sure you name the brochure as previously discussed.
 - o If you have never uploaded your old ADV Part II and Schedule F onto the IARD system and you are filing a *combined* new ADV Part 2A-2B, or as *separate* new ADV Part 2A and ADV Part 2B, please follow the upload instructions from the beginning of the ADV Part 2-Firm User instructions, because you are filing a new brochure(s). Make sure you name the brochure(s) as previously discussed. Note: after your first submission, any amendments to your brochure(s) will be done as a "Amending a Brochure".
 - o If you have previously uploaded your old ADV Part II and Schedule F onto the IARD system and you are filing your new ADV Part 2A separately from your new ADV Part 2B, please follow the instructions in page 6 "Amending a Brochure" for your ADV Part 2A and please follow the upload instructions from the beginning of the ADV Part 2-Firm User instructions, for each ADV Par 2B. Make sure you name the brochures as previously discussed.

4) Verify the upload:

in the IARD system, or by going to www.adviserinfo.sec.gov.					